



Real Estate Programme – Call VI – Tornado Relief

In accordance with the current version of the OP EIC, this call aims exclusively at supporting business entities affected by the tornado that occurred within the territory of the Czech Republic on 24 June 2021.

SCHEDULE

Receipt of aid applications:

- 16 August 2021

Closing date for the receipt of aid applications:

- 31 December 2021 (activity a)
- 29 October 2021 (activity b)

AIDED ACTIVITIES

- **Activity a** – A business premises recovery project under Article 50 GBER – implementation of the project represents a financial contribution (subsidy) to compensate for the damage caused by the tornado to the fixed assets of a business entity and is intended to support business recovery
- **Activity b** – A project for the expansion of business premises according to Article 14 GBER – the project will lead to the reconstruction and significant expansion of a technically (not exclusively in terms of layout) fundamentally inadequate building into business premises for the implementation of activities listed in the list of supported CZ-NACE (Annex 1 Supported CZ-NACE Categories).

THE APPLICANT

- is a small or medium-sized enterprise as defined in Annex I to Commission Regulation (EU) No 651/2014 that keeps accounting or tax records with special additional requirements, or keeps separate accounting for the project;
- is authorised to conduct business activities in the Czech Republic that correspond to the aided economic activity to be implemented through the project;
- according to its own sworn statement, has been registered as an income-tax payer in an EU member state for an uninterrupted period of no less than one closed tax period preceding the date of the submission of the aid

application; the applicant acknowledges that as of the date of payment of the aid, it must have an establishment or branch office established in the Czech Republic;

- according to its own sworn statement, does not have any outstanding arrears towards selected institutions in the country in which it has its registered office or, if relevant, in the country where its branch offices have their registered office, or towards the providers of aid within projects that are co-financed by the EU budget;
- according to its own sworn statement, does not have any arrears based on its employees' wage or salary claims;
- In case of activity b, the applicant confirms that, within the two years preceding its aid application, it did not carry out any relocation to the establishment where it intends to make the initial investment, for which aid is requested, and will agree not to relocate the establishment until the expiry of two years following the end of the initial investment for which the aid is requested.

SECTORAL CLASSIFICATION

- Aid is provided to projects whose outputs will have an effect in those sectors defined in Part A of Annex 1 to the Call.
- Aid is not provided to any projects whose outputs will have an effect in any of the sectors defined in Part B of Annex 1 to the Call.
 - The production, processing and marketing of products which are specified in Part B of Annex 1 to the Call
 - Agriculture, forestry, fisheries, aquaculture (CZ-NACE A 01, A 02, A 03).

In case activity b, aid will not be provided to any projects whose outputs will have an effect in any of the following sectors:

- The coal industry (CZ-NACE B 05, C 19.1)
- The steel sector (as defined in Annex 1 to this Call)
- The synthetic fibre production industry (as defined in Annex 1 to this Call)
- Shipbuilding (CZ-NACE C 30.11)
- Transport and related infrastructure (CZ-NACE H 49, H 50, H 51)
- Energy production and distribution and energy infrastructure (CZ-NACE D 35)

MAIN CONDITIONS OF THE CALL

- The place of project implementation was directly and demonstrably affected by the tornado within the territory of the Czech Republic on 24 June 2021
- The applicant must have acquired ownership rights to the real estate and land where the project will be implemented and must document these rights upon request. Where the beneficiary is not the owner of some of the real estate in question at the time of submission of the Aid Application (the beneficiary cannot prove ownership rights – applies to activity b), the beneficiary must become the owner of such real estate by no later than the time of approval of the first request for payment in the 1st degree.
- The project must include all mandatory components specified in the Call for its submission.
- The project does not envisage any aid to activities that are linked to the quantity exported (export subsidies), to the establishment and operation of a distribution network abroad, or to other current costs linked to export activities (customs duties, insurance, etc.); and aid is contingent upon the use of domestic over imported goods, and/or conditioning the use of domestic services.

- In case of activity b, the project has not started before the date of registration of the aid application.
- The project must not violate the EU horizontal policies and their basic principles including, without limitation, equal opportunities for men and women, equal opportunities and non-discrimination, and sustainable development.
- The project's objectives must be in compliance with the objectives of the programme and of the Call.
- There can be only one project per individual place of project implementation. The place of implementation is considered to be the real estate to be reconstructed, defined in a cadastral map with a descriptive or parcel number (or individual buildings), or a comprehensive site where the project is being implemented. If the site is divided into plots, for example by a road or railway, that is not owned by the applicant, the whole unit can be considered a single site if, despite the existence of a third-party plot, all its parts form a functional unit. The place of implementation must be registered in the Land Registry at least as a building under construction.

ELIGIBLE EXPENDITURE

Activity a:

- Eligible expenditure includes costs relating to damage as a direct result of a natural disaster, assessed by an independent expert recognised by the competent national authority or an insurance company. This damage will include damage to immovable property. The calculation of property damage is based on the cost of repair or the economic value of the property before the disaster. Its result must not exceed the cost of repair or the amount by which the fair market value of the property has been reduced as a result of the disaster, i.e. the difference between the value of the property immediately before and immediately after the disaster.

Activity b:

- Fixed tangible assets, in particular land improvements, building renovations, upgrades, modifications, construction or removal of buildings, utilities, roads to buildings, hardware and networks, if they are immediately necessary for the safe operation of the building, technical equipment of buildings. In the evaluation of construction work, the provider will consider such work eligible only up to a total aggregate amount corresponding to the maximum amount of eligible expenditure per 1 m³ of built-up area of future construction based on the applicable price systems for 2021. For more details, see chapter 7.1 of the Call and the Eligibility Rules for Expenditure.
- Other costs related to the construction to be included in tangible fixed assets (in particular expert services, studies, design and engineering activities directly related to the implementation of the project). In the context of other construction-related costs, the provider will consider these eligible only up to the value of normal market prices

FORM AND AMOUNT OF AID

- The subsidy for any single project is provided in an amount of no less than CZK 1 million and no more than CZK 35 million.

Activity a

- A subsidy granted to a beneficiary to compensate for damage represents an aggregate amount calculated as the sum of the total damage to the business entity's tangible immovable fixed assets, as quantified by the applicant and reduced by the relevant insurance claims and all other payments received as compensation for damage (damage to fully uninsured immovable property is only counted towards total eligible expenditure up to 80%).

Activity b

- The subsidy amount is governed by the Regional Public Aid Intensity Map for Regions of the Czech Republic for the 2014-2020 Period and Commission (EU) No 651/2014 as amended and amounts to a maximum of:
 - For a small enterprise: 45% of the proven eligible expenditure reduced by any compensation according to the activity and
 - For a medium-sized enterprise: 35% of the proven eligible expenditure reduced by any compensation for damages according to the activity; and
 - The maximum amount of eligible expenditure per unit of built-up area of future construction is CZK 10,000 per 1 m³ of built-up area.